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C O N F I D E N T I A L SECTION 01 OF 03 KATHMANDU 001288

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TAGS: [PREL](#) [PGOV](#) [PREF](#) [PHUM](#) [IN](#) [BH](#) [NP](#) [UN](#)

SUBJECT: NEPAL: AMBASSADOR CALLS ON FOREIGN SECRETARY  
ACHARYA

REF: A. KATHMANDU 1080

[B](#). KATHMANDU 1147

Classified By: Ambassador James F. Moriarty; Reasons 1.4 (b) and (d).

[1](#)1. (C) SUMMARY: Ambassador Moriarty made his first official call on Foreign Secretary Madhu Acharya on July 8. Acharya stated that the UN offer to mediate with the Maoists was appreciated, but third-party mediation from any quarters would not be accepted for the time being. Meanwhile, India's help with the insurgency was increasing and improving, but India's reluctance to become involved with the Bhutanese refugee issue was regrettable. On the Bhutanese refugees, Acharya indicated that the GON would not allow a UNHCR socio-economic survey to proceed, adding that the Nepali government strongly resisted any ideas that might distract from the voluntary return of the refugees to Bhutan. END SUMMARY.

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THE INSURGENCY  
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[1](#)2. (C) Acharya opined that now that a government had been formed in Nepal, the foremost priority was a peace process with the Maoists, if talks were possible. Nepal could learn lessons from other countries' experiences with insurgency, such as Columbia or Peru, Acharya agreed. (NOTE: Acharya himself has extensive UN experience, and served in South Africa, Cambodia and Liberia during conflict resolution efforts. END NOTE.) However, Acharya made clear that at the present the GON was not interested in UN or other third-party mediation in any eventual peace process. Acharya explained that the GON would keep the possibility of UN mediation as an option, but was loathe to risk legitimizing the Maoists, or making them co-equals by introducing a third party. Meanwhile, the GON appreciated the offer, and did want UN "assistance and understanding" in some areas. For example, the GON had "created space" for the UN in development efforts, and was expecting to sign an MOU with UNCHR for assistance to Nepal's National Human Rights Commission and to allow the UNCHR a role to monitor human rights in Nepal. The Maoists, however, were a homegrown problem, and a homegrown political solution was possible, Acharya stated. Of course, UN assistance in areas such as disarmament and reintegration might be needed, once a peace agreement was in place. The Ambassador assured Acharya that U.S. support for the GON's efforts to ameliorate the effects of, and to end, the conflict would continue.

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INDIA'S ROLE  
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[1](#)3. (C) Turning to India, the Foreign Secretary agreed with Ambassador Moriarty that India had been increasingly helpful to Nepal in the past months. Acharya explained that, while there was always some cooperation from India, India's concerns vis-a-vis the effects of the Maoist insurgency on its own security had drawn India's eyes northward. Thus, on the official level, India was better vocalizing its support, helping with equipment and training for the Royal Nepal Army (RNA) and arresting Maoists in India. Acharya noted that while stronger Indian political will to help existed, because of corruption and the fractured nature of the Indian political system, improvements were less visible on the operational levels (police, border security, etc.). But India was sending warning messages to the Maoists in political meetings, and even targeting its intelligence assets against the problem, Acharya believed. Acharya added that, since the Maoists had targeted Indian businesses, schools and transporters (after the arrests of 12 Maoists in Bihar State on June 2), much of the Indian support was being carried out quietly, so as to avoid Maoist retaliation. The Indians were, for example, quietly allowing Nepali access to arrested Maoists and in some cases, renditions to Nepal.

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BHUTANESE REFUGEES  
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[1](#)4. (C) However, Acharya continued, when it came to the approximately 103,000 Bhutanese refugees in eastern Nepal,

India remained reticent to become involved, perhaps in part because of the presence of other ethnic Nepali populations in India itself. Although India was becoming more concerned about Maoist infiltration of the camps, and what that might mean for Indian security, the Foreign Secretary lamented India's mantra that the problem required a bilateral solution; Acharya asserted that Indian involvement could lead to a quick, durable and equitable solution. Giving the Ambassador background on recent events, Acharya explained that the GOB had yet to formally respond to Nepal's report on the December 22 Khundunabari incident (when Bhutanese members of the Joint Verification Team (JVT) had been pelted with stones). Acharya noted that, in its report of the incident, the GON said they would give the JVT more security in the future, but had also included a paragraph asking the GOB to be more liberal in its interpretation of the conditions of return. This paragraph appeared to be the sticking point for the GOB, Acharya believed.

15. (C) Acharya stated that he had met with the seven camp secretaries (refugee representatives) on June 25, and that

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the GON and the secretaries had agreed on three main points. First, there must be some international observer with a protection mandate in Bhutan to monitor the return of the refugees, be it UNHCR, ICRC or another body. Second, refugees that had been forced to abandon land in Bhutan should be able to return to their homes, not merely to move from one refugee camp to another. Thirdly, both the GON and refugee representatives hoped that the GOB would agree to a liberal interpretation of Bhutanese law; after all, Acharya added, since Bhutan traditionally had such good legal documentation, most refugees had clear evidence of one form or another of property ownership or even citizenship. Ideally, the GOB would be liberal in accepting such evidence, and would be willing to give back citizenship to those who were forced out of Bhutan, rather than making them live for two years in a camp while their citizenship status was "considered." Thus, if the refugees were willing to take some risks, the GON would firmly support their desire to return to their homes in Bhutan. (NOTE: Under the JVT exercise, of those 12,183 refugees considered in the Khundunabari Refugee Camp, only 2.4 percent are considered "Category 1" and entitled to receive full citizenship upon their return to Bhutan. "Category 2" refugees make up 70.55 percent of the camp; they would be allowed to return but would have to live in a camp in Bhutan for two years while their appeals for citizenship were considered -- based on numerous conditions. END NOTE.)

16. (C) Acharya reacted strongly to the suggestion that UNHCR be allowed to undertake a socio-economic survey of the camps.

(NOTE: UNHCR-Nepal forwarded a proposal for an "Individual Profiling Exercise" to the Nepali Foreign Secretary on July 11. END NOTE.) Acharya feared the survey would muddy the waters, in that it implied eventual absorption of some of the refugees into Nepal. This might lessen the pressure on the GOB to take back the refugees. Voluntary repatriation is the solution, and the refugees want to go back, Acharya opined. Thus, while the GON was reviewing UNHCR's proposal for the survey, it was unlikely to give its consent. Acharya pointed out that the GON had sent its report on the December 22 incident only to the GOB, and yet sections of the report had been quoted to Acharya by Indian officials during Indian Foreign Minister Natwar Singh's recent visit. India was clearly in the loop with the GOB and could be the key to moving the whole process forward, Acharya implied.

17. (C) COMMENT: Foreign Secretary Acharya was clearly pleased to welcome Ambassador Moriarty to Nepal and stressed the positive tone of U.S.-Nepal relations. Acharya similarly stressed the GON's decision to put off for now UN offers to mediate with the Maoists. This buttresses the assertion that PM Deuba made to the Charge on June 10 that elections would be the first priority for his government: the influence of the UML in the cabinet could at some point, however, shift the priority to the peace process (Ref A).

18. (C) COMMENT CONTINUED: Meanwhile, as noted Ref B, the notion of local integration and third-country resettlement for the Bhutanese refugees will be an uphill battle here in Kathmandu, and will be an issue that we will have to revisit.

As for improving the terms of voluntary repatriation with the GOB, Acharya's comments on GOB flexibility seemed more wistful than optimistic during the meeting with the Ambassador. Indeed, in a meeting later the same day with the DCM, Acharya responded unequivocally in the negative when asked specifically whether he sensed any positive movement from the GOB. END COMMENT.

MORIARTY